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AUTHOR Pryor, Chris
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ABSTRACT

Designed as an aid for those interested in starting a business and for experienced business owners who have never prepared a written marketing plan, this workbook offers fundamental concepts about marketing planning, provides tools to effectively assess a marketing situation, and presents step-by-step assistance in developing a marketing plan. Following introductory information on the purposes and use of the workbook, and the importance of planning, the workbook lists steps and asks questions related to the following aspects of marketing: (1) "A Simple Definition of Marketing"; (2) "People You Must Market to"; (3) "Your Products/Services"; (4) "Satisfying Customer Needs"; (5) "Product Share"; (6) "Your Customers"; (7) "Segmenting the Market"; (8) "Targeting Markets"; (9) "Your Competitors"; (10) "Competitive Analysis"; (11) "Establishing Competitive Advantage"; (12) "Your Image"; (13) "Siting Assessment"; (14) "Your Pricing"; (15) "Determining Fixed Expense"; (16) "Determining Variable Costs"; (17) "Cost-Plus Pricing"; (18) "Your Current Advertising"; (19) "Your Current Public Relations"; (20) "Your Current Sales Efforts"; (21) "Sales Forecasting"; (22) "Budgeting"; (23) "The Situational Analysis Summary"; (24) "The Mission Statement"; (25) "Objectives"; (26) "Setting Goals"; (27) "Strategies-Activities"; (28) "Prioritizing Marketing Activities"; (29) "Timetable"; (30) "Marketing Plan Review"; and (31) "Marketing Plan Summary." Finally, the workbook presents a list of resources to use in market planning and a directory of federal and Oregon state agencies that can provide additional information. (UCM)

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Your Marketing Plan

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Your Marketing Plan

A Workbook For Small Businesses in Oregon

Chris Pryor

Preface

This workbook has been prepared for distribution by the Oregon Small Business Development Center Network. It is for those interested in starting a business, and for experienced business owners who have never prepared a written marketing plan.

"Marketing" is a term often misused and misunderstood in today's business world. This workbook is designed to give you some fundamental concepts about market planning, provide you with the tools to effectively assess your own marketing situation, and aid you in developing a marketing plan to use in your business.

Preparing a marketing plan is not a simple task, but it is an extremely important one. If you have the commitment necessary to go into business, you must also be committed to the idea of marketing yourself. You must be willing to give the time and effort required. You must be willing to look for, and accept, your own liabilities and shortcomings. You must be willing to sit down and write out your plans for the future. You must be willing to make changes in the way you do business to accommodate marketing demands.

Volume I, *Your Marketing Plan*, will help you develop the resources necessary to effectively and PROFITABLY market your business.

After completing this workbook, you will be ready for Volume II, *Small Business Marketing*. *Small Business Marketing* will help you develop and implement a marketing strategy.

Chris Pryor is General Manager of Mar%Stat Market Research & Analysis, Inc., a national research organization based in Eugene, Oregon. He is also responsible for the analysis of research data, and marketing plan development. Pryor has experience working with both public and private organizations, including market analysis and strategy development for a wide range of commercial and industrial clients. He recently developed an overall marketing plan for the Eugene/Springfield Metropolitan Partnership's industrial recruitment effort. Pryor is a part time instructor at Lane Community College, is active in the American Marketing Association, International Association of Business Communicators, the City of Eugene's Business Assistance Team, and is President of the Southern Willamette Private Industry Council.

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How to Use this Workbook

This workbook will become the "blueprint" for marketing your business. Each section will cover a specific area of market planning. Each section will also contain fill-in pages, where you will insert information about your organization.

Step 1. Read the workbook quickly to get a "feel" for its layout.

Step 2. Read the workbook more carefully but do not fill in the blanks.

Step 3. Begin to fill-in some of the work sheets.

The workbook is organized like a marketing plan. Although it isn't absolutely critical that you do this workbook in order, as you do each section of the workbook. However, you may want to go back and change previous sections, so. . .

Work in Pencil

Much of the information required in this workbook is similar to that developed in *Your Business Plan*. If you have completed that workbook, use the information you have and transfer figures where possible. If you haven't completed *Your Business Plan* you can still use this workbook, but we recommend you develop a business plan before you start on a marketing plan.

Step 4. Identify pages that you are unable to complete right now.

Don't worry. No one can complete this workbook without looking up information. Some parts of this book will require "hard" information, like sales figures and percentages. Other parts will require "soft" information which includes your best estimates or assumptions based on your knowledge of your business.

A list of common information sources has also been provided at the end of this workbook.

Step 5. Complete all the pages in this workbook.

It may be valuable to have your employees help complete some of the information since they often have more detailed data as a result of day-to-day contact with the front lines of your business.

Step 6. Continue to evaluate and revise this plan as your business changes

A business plan or marketing plan is merely a "roadmap" to help you achieve your objectives. It is important to review and revise your plan as your business or the market grows and changes.

The Importance of Planning

So what if I don't do a marketing plan?

Over 60,000 businesses declared bankruptcy in 1985. A few failed due to lack of demand for the product or lack of resources. Most failed because they didn't understand their market. They failed to do their planning.

Planning is the most important part of any marketing strategy.

1) Planning forces you to realistically evaluate your current situation.
2) Planning helps you develop and direct specific actions that increase the chances of success.
3) Planning helps you develop common objectives for your business.
4) Planning reduces wasted time and money.
5) Planning allows you to evaluate your performance by setting goals.
6) Planning improves your working relationships with employees, suppliers, bankers, agents, and others.

Planning really is important. Successful business people "Plan their work, and work their plan".

Isn't planning just for big corporations with giant advertising budgets?

Planning is important to anyone interested in success. If you spend $1 in advertising and only 75 cents worth actually reaches a customer with your message, you've just wasted 25 cents. That translates to $25 wasted for every $100 you spend. So you don't have to be dealing with a very large budget to begin saving money.

Businesses with sound marketing plans don't make serious errors in their advertising. Many other companies spend fortunes in advertising and get virtually nothing in return, because of a lack of planning.

I don't need to market.

Marketing is a lot more than just placing an ad in the newspaper or holding a sale. Your image, your performance, and what you plan to do are important to running a profitable business. Assuming you will get your share of the customers, hold your own against your competitors, and sell products just by BEING in business is not foolish... its suicide.

Can't I hire someone to do this for me?

There are a lot of marketing consultants who would be happy to do your planning for you. But this is your business. If your marketing plan is to be useful it must reflect your ideas and efforts not those of someone else. If you feel more comfortable using outside assistance, have someone assist you with your work or review the final result. But you must make the initial attempt at developing a plan yourself.

You may be surprised at how much you really do know about marketing your company. Good marketing is more common sense and organization than anything else.

A Simple Definition of Marketing

Because simple things are easier to remember, here is a simple definition of marketing.

> *Marketing is a process through which two people make an exchange that benefits both.*

Step 1. Think of all the people with whom you do business.

Doing business, in this context, means making any kind of exchange (including exchanges of intangible things). For example, a politician exchanges good will, and promises, for votes. A business owner exchanges promises, security, and assets, for a business loan.

If you have completed pages 24-25 of *Your Business Plan*, transfer any information that may apply to this section.

Step 2. For each of the groups listed on the next page, indicate what you provide to them.

In most cases this will be a specific product or service. You may, however, wish to consider what it is *about* the product or service that the customer really wants. In the case of bankers, for example, you don't just provide debt service as much as you provide *confidence* in your ability to service the debt.

Step 3. List what each group provides you in exchange.

Money is an obvious example, but in many cases it can also be an intangible such as "good will", or "cooperation". Smart business marketers know these intangible commodities can be just as valuable as money when it comes to building sales.

Step 4. Indicate ways in which each exchange could be performed better or more smoothly.

Every exchange between people can be improved, or made to go more smoothly. List some specific things you could do to improve the quality of your business transactions with each of the parties you listed.

Step 1. Customers

Step 2. What you provide _____

Step 3. What they provide _____

Step 4. Ways to improve exchanges _____

_____

Employees

What you provide _____

What they provide _____

Ways to improve exchanges _____

_____

Suppliers

What you provide _____

What they provide _____

Ways to improve exchanges _____

_____

Bankers

What you provide _____

What they provide _____

Ways to improve exchanges _____

_____

Other _____

What you provide _____

What they provide _____

Ways to improve exchanges _____

_____

Your Products/Services

Products fall into two basic categories - Industrial Goods and Consumer Goods.

> *Industrial Goods are those products or services which are used to create other goods, or in servicing the production of goods.*
>
> *Consumer Goods are those products or services destined for individual use.*

Services can also be defined in similar terms. **For the purpose of this workbook we will refer to both products and services as "products".** It is not uncommon for many service businesses to describe their service as a "product".

Step 1. List each product you sell.

Indicate whether it is a consumer product or an industrial product. If you have completed pages 22-23 of *Your Business Plan* and already identified your key products and suppliers, transfer the information. Briefly describe the product or service.

Step 2. Note your cost to purchase or provide the product.

This figure is comprised of the cost of raw materials, labor, packaging and distribution to produce and sell one unit. Use costs based on your *normal* volume of production, not one time costs.

Step 3. Note the retail price you charge to sell the product.

This should include any overhead and profit you wish to charge.

Step 4. Indicate the percent of your total annual income represented by the sale of this product.

To do this, divide the total yearly income from the sale of that product by your total income from the sale of all products. Multiply the result by 100 to make it a percent. If you are dealing with a new product, or one which has no sales figures, use your best estimates.

Step 1. **Product** _____ ( ) Indus. ( ) Consum.

Description _____

Step 2. Cost to Make $_____

Step 3. Selling Price $_____

Step 4. Percent of total annual income _____%

Product _____ ( ) Indus. ( ) Consum.

Description _____

Cost to Make $_____

Selling Price $_____

Percent of total annual income _____%

Product _____ ( ) Indus. ( ) Consum.

Description _____

Cost to Make $_____

Selling Price $_____

Percent of total annual income _____%

Product _____ ( ) Indus. ( ) Consum.

Description _____

Cost to Make $_____

Selling Price $_____

Percent of total annual income _____%

Product _____ ( ) Indus. ( ) Consum.

Description _____

Cost to Make $_____

Selling Price $_____

Percent of total annual income _____%

Satisfying Customer Needs

The marketing exchange requires you, as the seller, to provide a product with definite *values* which satisfy definite *needs* on the part of the buyer. This concept of values satisfying needs is fundamental to good marketing, but without a clear definition of the *consumer's* needs you cannot hope to provide an appropriate or appealing value. You should also remember that few needs are based solely on the product. In marketing, "People don't buy drills, they buy ways to make holes."

Step 1. Copy the following page, and complete for each product you sell.

Step 2. Answer the questions concerning your product.

This will indicate the basic needs the product satisfies.

Step 3. List four items a customer could buy to satisfy the same need.

These are competitive products. Example - If you sell toys, competitive products might include (in addition to other toys), such things as home computers, movie tickets or books. Since the need a toy satisfies is *entertainment*, these other products provide strong competition at the need level.

Step 4. Indicate why your product is unique or special.

These will become product values, or reasons why your product is not like the alternatives. These points should be addressed in your advertising.

Step 5. List your product's advantages.

Indicate what you believe to be the reasons why your product is a better choice to satisfy the need, as opposed to the four competitors listed in Step 1.

Step 6. List your product's disadvantages.

What qualities do the competitive products possess that make them superior or at least more salable than yours.

Step 2. What customer need does your product satisfy? Does it...

	Yes	Maybe	No
1. Make the buyer feel more important?	( )	( )	( )
2. Make the buyer happier?	( )	( )	( )
3. Make the buyer more comfortable?	( )	( )	( )
4. Make the buyer more prosperous?	( )	( )	( )
5. Work easier for the buyer?	( )	( )	( )
6. Provide greater security?	( )	( )	( )
7. Make the buyer more attractive?	( )	( )	( )
8. Make the buyer better liked?	( )	( )	( )
9. Will it give the buyer some distinction?	( )	( )	( )
10. Improve or protect the buyers health?	( )	( )	( )
11. Appeal to the buyer as a bargain?	( )	( )	( )

Step 3. Alternative products (Competitors).

A. _____

B. _____

C. _____

D. _____

Step 4. Unique/special features of your product.

A. _____

B. _____

C. _____

D. _____

Step 5. Advantages of your product (Over competition).

A. _____

B. _____

C. _____

D. _____

Step 6. Disadvantages of your product (As compared to competition).

A. _____

B. _____

C. _____

D. _____

Product Share

Every company has products that sell easily, and products that require effort to sell. This often results in each product representing a different share (percentage) of the total volume of products sold.

Step 1. List all the major products you sell.

Step 2. Indicate the product's annual income to your company.

From the Profile pages you just completed, take the unit retail cost and multiply it by the number of units you sell in a year. Take this annual *product* income and divide it by your *total* annual income. Multiply the resulting decimal by 100 to arrive at the percent of your total sales attributable to this product.

Step 3. Calculate the percent of UNITS sold.

To do this, divide the total yearly number of units sold for that product, by the total number of all products sold. Multiply the result by 100 to make it a percent. For new products, use your best estimates.

Step 4. Calculate the percent of NET PROFIT for each product.

Divide the total yearly net profit form the sale of each product, by the total annual net profit. Multiply the result by 100 to get a percent. For new products, estimate the percentages.

By comparing the income, number of units sold, and net profit for each product you sell, you can quickly and easily evaluate which are strong and which are weak members of your product mix. This table will also allow you to determine why some products produce more profit than others. In some cases it may be because of volume, and in others it may be because of margin.

You may, as a result of this exercise, feel you have identified a product whose profit margin is low enough to justify eliminating it from the line. Although the purpose of this exercise is to show the close relationship price and volume have on profits, it is not always wise to eliminate low profit items. Sometimes a business will continue to offer a less profitable product because that item promotes high visibility, generates store traffic, or acts as a public service. In these cases, the "profit" from the product is not measurable in strictly monetary terms. Later on in this workbook you will evaluate product mix as a part of the overall planning process.

Step 1. **Product**	Step 2. % **Income**	Step 3. % **Units**	Step 4. % **Profit**
1. _____	_____%	_____%	_____%
2. _____	_____%	_____%	_____%
3. _____	_____%	_____%	_____%
4. _____	_____%	_____%	_____%
5. _____	_____%	_____%	_____%
6. _____	_____%	_____%	_____%
7. _____	_____%	_____%	_____%
8. _____	_____%	_____%	_____%
9. _____	_____%	_____%	_____%
10. _____	_____%	_____%	_____%
11. _____	_____%	_____%	_____%
12. _____	_____%	_____%	_____%
13. _____	_____%	_____%	_____%
14. _____	_____%	_____%	_____%
15. _____	_____%	_____%	_____%

Your Customers

You must know as much as you can about your customers if you expect to be successful.

Your customers are the most important part of your business. Without customers you wouldn't be in business. It's critical to carefully analyze who your customers are, how much and how often they buy from you, and why they do business with you rather than someone else.

Demographics

Demographics are the identifiable characteristics of people, such as age, sex, occupation, income etc. Demographics are important because they represent the natural divisions of people.

The relationships and trends within certain demographics are very important to know. Some of the more common demographics include:

Sex - Each sex exhibits very different habits when it comes to purchasing. Knowing if your market is predominantly male or female is fundamental to any market planning.

Age - is second only to sex as the most important demographic by you use to measure your market. Different age groups have significantly different habits and interests.

Income - is a good indicator because it often shows whether or not the customer has the ability to buy, regardless of whether they have the desire.

Occupation - often relates closely with age, income, and education, and may in itself represent a purchase motivation.

Education - rightly, or wrongly, is often used as an indicator of reasoning ability. Complicated products, which are being marketed to a less educated market, need to be made less complicated.

Location - can be designated in any of several different ways, such as zip code, address, city, state, shopping area, neighborhood, etc. Many businesses will discover that the majority of their business comes from specific locations rather than uniformly from all over town.

Psychographics

Psychographics, which involve the definition of markets by psychological characteristics, serves as the foundation for defining needs. For many years, marketers defined their markets by physical characteristics alone, then made assumptions about what motivated them or caused them to behave a certain way. Some marketers eventually began to look for similarities in attitude and behavior, to see if they related to demographic characteristics. It is now understood that different demographic groups have fairly definable psychological needs and values. Characterizing these needs and values has become just as important as cataloguing physical attributes.

For example, while the primary purpose of toothpaste is to clean teeth, anyone watching an "Ultra Brite" commercial sees an appeal to the need to be sexually attractive. "Crest", on the other hand, appeals to the desire parents have to reduce cavities in their children. Although all people need toothpaste, the *need* of the young single buyer is attractiveness, while the *need* of the parent is to preserve the health of a child.

The buyers of any given product can usually be distributed among several standard demographic groups. The following table will help you separate your customers into these standard groups and determine what percent of customers fall within each.

Fill in this table using either the number of customers from each group or the dollar volume represented by that group. It might be wise to do it both ways just to see if some small numerical group actually represents a large dollar volume of sales.

Step 1. Copy this page and complete for each product you defined on page 9.

Step 2. Indicate if groupings are based on number of customers or dollar volume.

Product _____ ( ) Number ( ) Volume

Step 3. Separate the buyers of the product by **Sex**.

_____% Male _____% Female _____% Couples

Step 4. Separate the buyers of the product by **Age**.

_____% 0-12 _____% 12-17 _____% 18-24 _____% 25-34
_____% 35-49 _____% 50-54 _____% 55-64 _____% 65 plus

Step 5. Separate the buyers of the product by **Income**.

_____% Under $10,000 _____% $10,000-$19,999
_____% $20,000-$29,999 _____% $30,000-$39,999
_____% $40,000-$49,000 _____% $50,000 or more

Step 6. Separate the buyers of the product by **Occupation**.

_____% Admin. _____% Profes. _____% Semi-Profes.
_____% Clerical _____% Blue Collar _____% Student
_____% Homemaker _____% Retired _____% Disabled/Unemp.

Step 7. Separate the buyers of the product by **Education**.

_____% Less than HS _____% Grad HS _____% Some Coll.
_____% Grad Coll. _____% Some Post _____% Post Grad.

Step 8. Separate the buyers of the product by **Location**.

_____% Zip #( ) _____% Zip #( ) _____% Zip #( )
_____% Zip #( ) _____% Zip #( ) _____% Zip #( )

Segmenting the Market

It comes as no surprise that different people have different tastes and attitudes. But what is important to the marketer is the fact that different demographic groups also have widely different needs and motivations. What appeals to those over the age of 65, generally has little appeal to those between the ages of 18 and 24.

The 80/20 rule of marketing notes that 80% of a typical company's business is probably done by 20% of its customers. Blanket statements such as this generally don't hold up in every case, but the basic concept does. Some people just naturally buy more of your product, or buy more often, than others. And experience has shown that these natural divisions most often occur along standard demographic lines.

The process of splitting out the various interest groups from the rest of the people who buy your products is called Market Segmentation.

Step 1. Copy this worksheet and repeat for each product you defined on page 9.

Use only one worksheet per product and indicate if the listings will be by number of customers or volume of sales. Whichever way you choose, use it with all your products.

Step 2. Organize your market groupings.

Review the demographic groupings on page 15. Within each demographic, locate the sub-group that has the *largest* percentage of customers or volume and insert that sub-group's description in Market 1. Continue with the next largest sub-group in Market 2 and so on until you have listed all the percentages. Markets 1 and 2 should have descriptions in every demographic space.

Step 3. Identify market needs and values.

For each group you have defined, indicate what you understand their needs and values to be. This includes reasons why they buy and what values they seek in the products they buy.

Step 1. Product name

_____ ( ) Number ( ) Volume

Steps 2 & 3. Market identification

Market 1.

Sex _____ Age _____ Income _____

Occup. _____ Educ. _____ Location _____

Needs _____ Values _____

Market 2.

Sex _____ Age _____ Income _____

Occup. _____ Educ. _____ Location _____

Needs _____ Values _____

Market 3.

Sex _____ Age _____ Income _____

Occup. _____ Educ. _____ Location _____

Needs _____ Values _____

Market 4.

Sex _____ Age _____ Income _____

Occup. _____ Educ. _____ Location _____

Needs _____ Values _____

Market 5.

Sex _____ Age _____ Income _____

Occup. _____ Educ. _____ Location _____

Needs _____ Values _____

Market 6.

Sex _____ Age _____ Income _____

Occup. _____ Educ. _____ Location _____

Needs _____ Values _____

Targeting Markets

Very few businesses have the money or the time to market to every segment of the public. Some market segments buy so little it isn't worth the effort. Others require a more than average share of attention to keep them buying. If you know who the golden 20% of your customers are, it stands to reason they are the group you most want to reinforce with your advertising. This process is called "targeting" your market because you want to focus in on a specific central group of consumers.

Once you have fully segmented your customers in terms of their general characteristics and buying habits, you can now determine which groups should be targeted for special attention or effort.

Step 1. Copy this worksheet.

Complete this worksheet for each product, or class of products you sell, and for each market group defined on page 17.

Step 2. List the physical and psychological characteristics of the market group

Copy these from page 17 and insert in the appropriate places on the worksheet. If the market group being listed is Group 1 or Group 2, indicate it as a Target Market. All other groups should be classed as Secondary.

Step 3. Complete the consumer habit section of this worksheet.

These questions deal with issues surrounding the manner in which customers buy your product.

Step 1.

PRODUCT _____

Step 2.

MARKET GROUP # _____ ( ) Target ( ) Secondary

1. Sex	Male _____%	Female _____%
2. Age range	From _____	To _____
3. Income range	From $_____	To $_____
4. Occupation	_____	or _____
5. Education	_____	
6. Location	_____	
7. Needs	_____	
8. Values	_____	

Step 3.

Who within this group usually makes the purchase? Is the buyer also the consumer?

_____

What types or variations of the product do they most often buy?

_____

When do they most often make purchases of this product?

_____

How do they most often pay for their purchases?

( ) Cash ( ) Check ( ) Store credit ( ) Bank card

What quantity of the product is usually bought?

_____

How much time passes between purchases (need to replace)?

_____

How do they most often hear about the product?

_____

Your Competitors

Many business owners assume that if there is no other store in town that offers the same products or services they do, they have no competition. By the same token, these same business owners may also write-off known competitors simply because they don't know anything about them. Both these assumptions are usually incorrect and often fatal.

Step 1. Insert the names and addresses of 4 major competitors.

A. Name_____

Address_____

B. Name_____

Address_____

C. Name_____

Address_____

D. Name_____

Address_____

Don't underestimate the potential impact of your competitors simply because you don't know anything about them. The best way to win any marketing campaign is to know the enemy's position, their strengths and their weaknesses.

Step 2. Perform a competitor audit

Gather the following information for each competitor you identified above. Don't provide opinions, just *observations*. This requires an actual visit to each competitor's business to see first hand what they're doing. If you are too well known, or this is a problem, have someone whose opinion and judgement you trust do it for you. But above all be honest in your assessments. Don't try to hype yourself.

Step 3. Assess your competitor's marketing efforts

Actively seek out examples of each competitor's promotional materials. This includes newspaper ads, radio and TV spots, brochures and catalogues, etc.

1. **Are they eye-catching?** You can't sell anything unless you get the customer's attention.
2. **Do they make their point?** The message must be simple, clear and persuasive.
3. **Are they consistent in their approach?** Related materials reinforce and build on each other. Pieces that don't match, don't appear related.
4. **Do they offer legitimate value?** Customers will not make the marketing exchange without it.

Step 2.

COMPETITOR _____

1. Products _____
2. Price _____
3. Quality _____
4. Product selection _____
5. Customer service _____
6. Product service _____
7. Reliability _____
8. Expertise _____
9. Image/Reputation _____
10. Location _____
11. Layout _____
12. Appearance _____
13. Sales methods _____
14. Credit policy _____
15. Availability _____
16. Management _____
17. Longevity/Stability _____

Step 3.

Promotional Materials

How do they attract attention? _____

_____

How do they make their point? _____

_____

How are they consistent? _____

_____

What is the principle value offered? _____

_____

Competitive Analysis

Now that you have specific information about each of your competitors, evaluate their relative strengths and weaknesses as it relates to your own business.

Step 1. Rate your competitive position

The following worksheet provides an item by item assessment of both you and your competitors. Some of the areas explained below are similar to those on pages 28-29 of *Your Business Plan*.

For each area of comparison below rank your own business and each of the four competitors on a scale of 1 to 3, with 1 being lowest and 3 highest.

1. **Products** - Which products do the job better?
2. **Price** - Consistency is generally the best plan.
3. **Quality** - How long does it last, how good are the materials and workmanship?
4. **Product selection** - How complete is the product line, what options are available?
5. **Customer service** - How politely and thoroughly is service performed?
6. **Product service** - Is the product serviced correctly and quickly?
7. **Reliability** - Does the product require frequent service or repair?
8. **Expertise** - The more knowledgeable the staff, the better.
9. **Image/Reputation** - How important or useful is the company or product name?
10. **Location** - Consider accessibility, parking, convenience and visibility.
11. **Layout** - Is the space efficiently utilized?
12. **Appearance** - Does the appearance match the customer's expectations?
13. **Sales methods** - Is the staff polite and effective at making sales?
14. **Credit policy** - Can customers use a variety of payment methods?
15. **Availability** - Does the customer have to wait for a product to arrive?
16. **Management** - Does the store owner take an active part in the business?
17. **Longevity/Stability** - In general, older businesses are considered more stable.
18. **Advertising** - Those who advertise are more visible than those who don't.

Step 2. Calculate competitive position.

Total each column. The column with the HIGHEST number represents the business in the best competitive position and receives a rank of 1. The column with the LOWEST number represents the least competitive position and receives a rank of 5.

Add all the column totals together and divide by 5 to get the *average* competitive ranking. Divide each of the column totals by the sum of all the columns to get a *percent* of competitive market share (don't forget that percentages in calculations are always expressed as decimals, .53 = 53%).

Step 1.

Factors	You	Competitor A	Competitor B	Competitor C	Competitor D
1. Products	____	____	____	____	____
2. Price	____	____	____	____	____
3. Quality	____	____	____	____	____
4. Product selection	____	____	____	____	____
5. Customer service	____	____	____	____	____
6. Product service	____	____	____	____	____
7. Reliability	____	____	____	____	____
8. Expertise	____	____	____	____	____
9. Image/Reputation	____	____	____	____	____
10. Location	____	____	____	____	____
11. Layout	____	____	____	____	____
12. Appearance	____	____	____	____	____
13. Sales methods	____	____	____	____	____
14. Credit policy	____	____	____	____	____
15. Availability	____	____	____	____	____
16. Management	____	____	____	____	____
17. Longevity/Stability	____	____	____	____	____
18. Advertising	____	____	____	____	____

Step 2.

Totals	____	____	____	____	____
Rankings	____	____	____	____	____
Average ranking _____					
Percent competitive market share	____%	____%	____%	____%	____%

Establishing Competitive Advantage

In addition to your competitive advantage over other businesses, you must also evaluate your competitive position in general. It's good to compare yourself to others, but you must also evaluate your business on an absolute scale.

Just because you may have a better location than any of your competitors, doesn't mean you have "the best" location. You must gain competitive advantage in ways that directly affect your dealings with the public.

Step 1. Identify who is strongest in each competitive area.

The list of factors includes many normally associated with sound competitive businesses. If you are truthfully the best provider of that factor, write in your own name. If not, indicate which of your competitors is best.

Step 2. Identify the four major advantages you have over your competitors.

These are areas where you rank at least 2 points higher than any of the other competitors.

Step 3. List the four major disadvantages of your competition.

These are areas where your competition routinely ranks scores of 3 or more.

Step 4. Indicate those areas where there is no competition.

Sometimes a particular product or feature is not available, even though a demand exists for it. It might be a special product, a unique location, a new service, or a different image. These areas will become very important when you begin the process of market positioning.

Step 1. Identify company image

Best traffic area	_____	Best access by car	_____
Most parking	_____	Free parking	_____
Easiest to find	_____	Best signs	_____
Best lit	_____	Best decorated	_____
Best staff attitude	_____	Best brochures	_____
Knowledgeable	_____	Best advertising	_____

Step 2. Areas of advantage over competition.

1. _____
2. _____
3. _____
4. _____

Step 3. Areas of disadvantage over competition.

1. _____
2. _____
3. _____
4. _____

Step 4. Areas of no competitive activity.

1. _____
2. _____
3. _____
4. _____

Your Image

"Image" is another marketing term many people use without really understanding the concept.

Image is nothing more than what other people believe about you. Just as an attractive product may be selected over an ugly one, so an "attractive" company may be chosen over an "ugly" one. When buyers can't judge the value of the product, they judge the value of the seller.

Since the image you have with your customers is based on what they BELIEVE, rather than what is TRUE, it's important that what they believe is positive. It's up to you to insure this happens.

Step 1. Identify your company image with your customers

Answer each of the questions below HONESTLY, and from the perspective of the customer. Since all the statements above are basically positive, a NO, or even a SOMETIMES, answer represents a potential image problem area.

	Yes	Sometimes	No
My business is seen as an attractive asset to the community.	( )	( )	( )
People feel it is prestigious to do business with me.	( )	( )	( )
My business gives a good value for the money spent.	( )	( )	( )
My product/service is felt to be among the best available.	( )	( )	( )
My staff is considered friendly and knowledgeable.	( )	( )	( )
People would rather do business with me.	( )	( )	( )
Most people instantly recognize my company's name.	( )	( )	( )
It is easier to use my product/service than do-it-yourself.	( )	( )	( )
I haven't heard any negative comments in a long time.	( )	( )	( )
My business is well known in the community.	( )	( )	( )
My business is considered expert in my field.	( )	( )	( )
My products or services deliver real results.	( )	( )	( )
People don't have any problem getting to my business.	( )	( )	( )

Step 2. How are opinions about you formed?

Each of the methods listed below is a common method of creating and spreading opinions and perceptions regarding your business. Consider each one and indicate next to it the percentage of influence it has on forming your company image. The total of all the percentages should equal 100%.

Rate the following as image forming influences

Word of mouth	_____%	Employees	_____%
Brochures	_____%	Advertising	_____%
News stories	_____%	Appearances	_____%
The product/service	_____%	Sales staff	_____%

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Step 3. Identify your company image as your employees see it.

Answer from the perspective of your employees, or give a copy of this form to each employee and have them fill it out. It may be desirable to do this anonymously so they will not feel obliged to give positive, but untrue, answers. Self flattery has no value in good marketing.

	Yes	Sometimes	No
This is a very enjoyable place to work.	( )	( )	( )
The owner really has the customer's best interests at heart.	( )	( )	( )
The owner really has the employee's best interests at heart.	( )	( )	( )
The products we offer are the very best we can provide.	( )	( )	( )
We really work to know as much as possible about what we sell.	( )	( )	( )
People would rather do business with us than our competition.	( )	( )	( )
The owners actively solicit suggestions and criticisms from us.	( )	( )	( )
We have never been deceptive or misrepresented our products.	( )	( )	( )
I never hear any negative comments about the owner.	( )	( )	( )

Step 4. Rate your company image.

Based on the answers to steps 1, 2 and 3, give an honest and accurate assessment of your company image. An Average or lower rating indicates you need to work on your image. As far as image is concerned, Average doesn't sell products. Steps 1 and 2 will provide the specific areas where image work needs to be done.

	Excellent		Good		Average		Below Avg.		Poor	
Customer Image Rating	1( )	2( )	3( )	4( )	5( )	6( )	7( )	8( )	9( )	10( )
Employee Image Rating	1( )	2( )	3( )	4( )	5( )	6( )	7( )	8( )	9( )	10( )

Siting Assessment

In addition to evaluating your location as it relates to competition, you must also consider your location with regard to conducting your own business. Where you locate your business can have a profound impact on both the volume and ease with which you do business. A wrong decision in siting can be more than an inconvenience, it can be a disaster.

Step 1. Assess the location of your business.

Does your business match the given market conditions. Even the most popular products will fail if the location of the seller is wrong. An air conditioner has little chance of selling in Alaska, just as a parka has an equally poor market in Florida. Yet both are desirable products, with a substantial market in their appropriate location.

Step 2. Assess the appearance of your business.

What conclusions do people draw when they visit your business? This is a major image consideration. While you can exercise a high degree of creativity in the physical appearance of your offices or store, there is no market value in dirt and decay. This kind of appearance does not represent economy, it shows poor concern for quality and service.

Step 3. How close are you to your customers?

Consider whether or not there are enough people in your target demographic group readily available to buy from you. It does no good to have 95% of the available market as your customers, if there are only eight of them to begin with. If you sell to a national market, are you located in such a way as to take advantage of national distribution channels that effectively reach these markets?

Step 4. What are the customer traffic patterns in your area?

Are you situated where members of your target market will pass by on a regular basis? Very few businesses can afford to be too far off the beaten path. Don't assume customers will go to any great effort to seek you out. Nothing is indispensable, and no supplier is that much better than the competition.

Step 5. How close are you to your competitors?

Do you deal in an impulse item, or a product which can benefit from comparison with a competitor?

Sometimes being close to the competition is desirable. It will insure that people in the market for your product come to your area. Being compared to the competition is much less of a problem than having no customers in the neighborhood. This is the logic that motivates McDonald's to build right across the street from Burger King.

Step 6. How close are you to your suppliers?

A long supply line can make an economical item, expensive, and a common product, hard to find. One of the most important considerations to any business owner is his proximity to raw materials and supplies. What would you do if your immediate source of supply was cut off? Do you have flexibility in who you can buy from?

Step 7. What are the cost/benefits of your location?

Is it worth your while financially to do business from a particular location? Everything else may look great, but when you put pencil to paper you just can't afford the location.

Step 1. Location

Step 2. Appearance

Step 3. Proximity to customers

Step 4. Traffic patterns

Step 5. Proximity to competition

Step 6. Proximity to suppliers

Step 7. Cost/benefit ratios

Your Pricing

The price you charge for a product is governed by controllable and uncontrollable factors.

In its simplest form, pricing strategy involves figuring out how much it costs you to buy or make the product, add your cost of doing business, then add your margin for profit.

In order to effectively price your products/services you must first have a detailed outline of the costs for making, buying, or selling your products.

Cost-based pricing is probably the system most often used by those entering business for the first time.

Cost-Based Pricing Forms

1. Cost-plus pricing - The TOTAL cost you must incur to buy the product, plus an allocation for those costs you incur every month whether you sell anything or not, plus an additional amount for profit.

   EXAMPLE - $12.95 net cost + $3.31 overhead + $1 net profit = $17.26 retail price

2. Mark-up pricing - The cost you must incur to buy the product is "marked-up" by adding on an additional percentage for gross profit.

   EXAMPLE - $12.95 net cost * 1.333 (25%) gross profit = $17.26 retail price

Although both cost-plus and mark-up pricing have their advantages, neither one really takes the consumer into account when setting the price.

Prices based strictly on the production and operating costs of the business often fail to take advantage of the enormous profit potential inherent in consumer demand.

The following pages will help you develop information about the financial operation of your business. Use your records, or have your accountant help you. Try to work in averages wherever possible. You may need need to divide a yearly total by 12 to come up with a monthly average. If you are starting a business, you will have to project your expenses.

Fixed expenses (also known as Overhead) are monies you must pay out regardless of whether you perform any services or sell any products. Examples of fixed expenses include rent, utilities, loans, etc. Variable expenses are those costs which are likely to change depending on the amount of business you do. Examples of variable expenses might include the cost of raw materials, production costs, distribution costs or commissions. Salaries have also traditionally been considered variable expenses because many companies add or lay off employees in response to their sales volume. However, most small businesses keep a few employees on all the time, so you will probably want to consider salaries as a fixed expense.

Some other pricing terms you will encounter include:

Net Cost - This is the amount of money it costs you to make or acquire the product. It does not include anything for Overhead and thus can be a deceptively low figure.

Gross Cost - The Net Cost plus a portion of the Overhead. A much more reasonable figure to use since it allows for that fact you need to pay for things like the rent.

Retail Price - This is the final price the consumer is charged for a product. It includes all production costs, variable costs, margins, and mark-ups for the manufacturer, the wholesaler and the retailer.

Gross Profit - The difference between the Net Cost and the retail Price. For some companies with low production costs and high fixed costs, the Gross Profit can be impressively large.

Net Profit - This is the difference between the Gross Cost and the Retail Price. This is the final "no strings attached" profit for the company. High Overhead expenses can eat up the Gross Profit and leave only a small Net.

Margin-Another way of talking about profits

Step 1. Determine your monthly fixed expenses.

In the table on the next page, write in the appropriate spaces the amount you spend each month on the fixed expenses. Since these expenses are fixed, they should not change from month to month. If you do not currently have an item as a fixed expense, leave the space blank.

Step 2. Determine your total monthly overhead

"Overhead" is the figure you must pay out each month to cover fixed expenses. It is simply the sum of all the items listed in Step 1.

Step 3. Figure your total yearly overhead

Multiply the monthly overhead by 12 to arrive at the amount you must pay just to keep your business open for one year. This figure does not include any expenses for actually making or distributing anything.

A Note About Demand-Based Pricing

Pricing by cost alone, although assuring that you will recover your expenses, does not take into account the enormous profit potential resulting from demand.

Demand-based pricing is based on the number of products you expect to sell under a specific set of circumstances. These can include promotion, packaging, fads, special interest, or some competitive factor. Unfortunately, demand-based pricing is a tricky practice for even the most experienced professionals since demand can change on a moment's notice. As you gain more experience in the market you may want to consider adding some "demand-based factor" into your price. But for the most part, stay with cost-based as the backbone of your pricing strategy.

Determining Fixed Expense

Step 1.

Office Operation	
Rent	$_____ per month
Utilities	$_____ per month
Phone	$_____ per month
Supplies	$_____ per month
Insurance	$_____ per month
Accounting	$_____ per month
Legal	$_____ per month
Payroll	$_____ per month
Marketing	$_____ per month
Leases	$_____ per month
Maintenance	$_____ per month
Corporate Taxes	$_____ per month
Furniture & Fixtures	$_____ per month
Loans % Notes	$_____ per month
Bad debts	$_____ per month
Other Expenses	$_____ per month

Step 2.

TOTAL MONTHLY OVERHEAD $_____ per month

Step 3.

TOTAL YEARLY OVERHEAD (monthly x 12) $_____ per year

Step 4. Allocate a portion of your fixed expenses to each product, or product line.

Go back to page 17 of this workbook and use the *Percent of Annual Income* figure to allocate your fixed expenses by product. If a product represents 25% of your annual income, then allocate 25% of your fixed cost to it. This method does not take into account the labor-intensive costs associated with some products, but it will work as a starting point.

The best way to calculate the percent of a number is to multiply that number by the percent you want to find, expressed as a decimal. For example, 15% of 50 would be:

$$50 * .15 = 7.5$$

Allocating fixed costs by product line

TOTAL YEARLY OVERHEAD $_____ (from the previous page)

Fixed costs associated with product #1	$_____ per year
Fixed costs associated with product #2	$_____ per year
Fixed costs associated with product #3	$_____ per year
Fixed costs associated with product #4	$_____ per year
Fixed costs associated with product #5	$_____ per year
Fixed costs associated with product #6	$_____ per year
Fixed costs associated with product #7	$_____ per year
Fixed costs associated with product #8	$_____ per year
Fixed costs associated with product #9	$_____ per year
Fixed costs associated with product #10	$_____ per year

Determining Variable Costs

Step 5. Copy this page and complete for each product you sell.

PRODUCT _____

Step 6. Insert the total number of units sold last year.

_____ Units/Individual services (Use estimates if necessary)

Step 7. Figure variable costs for the last year.

If you do not have figures for the past year, make your best estimate of the costs you probably would have incurred.

a. If You Are a Retailer:

Total wholesale cost to you	$_____
Total cost of delivery of products to you	$_____
Total inventory or storage costs	$_____
Total shipping or delivery to customers	$_____
Other costs incurred during the sale of product	$_____
TOTAL YEARLY VARIABLE COSTS	$_____

b. If You Are a Manufacturer:

Total cost of raw materials	$_____
Total cost of delivery of materials to you	$_____
Total cost of manufacturing the product.	$_____
Total cost of packaging	$_____
Total inventory or storage costs	$_____
Total shipping or delivery to wholesaler/retailer	$_____
Other costs incurred during the manufacture of product	$_____
TOTAL YEARLY VARIABLE COSTS	$_____

c. If You Deal in a Service:

Total cost of materials used	$_____
Total cost of job related labor†	$_____
Total transportation/delivery to customers	$_____
Other costs incurred while providing service	$_____
TOTAL YEARLY VARIABLE COSTS	$_____

† Do not include the salary of anyone who is paid regardless of the workload.

Step 8. Calculate the per unit variable costs.

Total Yearly Variable Costs		# of Units/Services Sold		Per Unit Cost
$_____	+	_____	=	$_____

Cost-Plus Pricing

Step 9. Figuring a cost-plus price.

The cost-plus price is essentially the *cost* of making or providing a product (variable expenses) plus a portion of the *overhead* (based on that product's percent of the total operation), plus a portion of the *profit* you wish to make. In cost-plus pricing the overhead, the variable expense and the profit are not dependent on each other, and any one can be changed without affecting the other two.

For Product _____ _____

a.	Expected sales of units	_____ units per year	
b.	Total yearly fixed expense (from page 32)	$_____	
c.	Per unit fixed expense (b+a)		$_____
d.	Per unit variable cost (from page 33)		$_____
e.	Unit Net Cost (c+d)		$_____
f.	Expected annual profit	$_____	
g.	Profit per unit (f+a)		$_____
	UNIT RETAIL PRICE (e+g)		$_____

Step 10. Figuring a marked-up price.

In mark-up pricing you take the actual *cost* of making or providing a product, and multiply it by one or more percent *factors* which represent overhead and/or profit. In this way, the amount you add for overhead or profit is proportional to the cost of the product. In other words, expensive products receive a proportionately larger share of the overhead and profit automatically. The amount added is also related directly to the cost of the product. You cannot change the cost without also affecting the amount of overhead and profit. This method is useful for pricing one of a kind items, or services which are not consistent enough in price to allow cost-plus pricing.

For Product _____

b.	Expected sales of units	_____ units per year	
a.	Total yearly fixed expense (from page 32)	$_____	
c.	Per unit fixed expense (b+a)		$_____
d.	Per unit variable cost (from page 33)		$_____
e.	Unit Net Cost (c+d)		$_____
f.	Gross Profit Margin (d+e)*100	_____%	
	UNIT RETAIL PRICE (e * Profit Mark-up Factor)		$_____

PROFIT MARK-UP FACTORS

5% = 1.053	15% = 1.176	25% = 1.333	33% = 1.493
10% = 1.111	20% = 1.25	30% = 1.429	35% = 1.538

Your Current Advertising

Before you can plan where you need to go with your marketing, you must first inventory what you have already done. If you are just starting a business, estimate your anticipated activities.

Step 1. Inventory your current advertising activities.

Review the list of promotional options and indicate the last time you used each option. If you have not used an option leave it blank.

Step 2. Number of times used.

Next to each option, indicate the number of times you used it in the last year. For newspaper this means the number of *ads* you ran. For radio and TV this means the number of *campaigns* you ran. For corporate materials, indicate whether or not you have each, or the number of variations you have of each.

Step 3. Yearly amount spent on advertising

Indicate the total amount of money you spent last year using each option. This includes all production, printing, distribution and insertion costs associated with getting your advertising message out. Total all these costs to arrive at your Total Advertising Expenditures for the past year.

ADVERTISING	Step 1. DATE LAST USED	Step 2. NUMBER OF TIMES USED	Step 3. YEARLY COST
Display Advertising			
Newspaper	_____	_____	$_____
Trade magazine	_____	_____	$_____
Consumer magazine	_____	_____	$_____
Specialty pub.	_____	_____	$_____
Television	_____	_____	$_____
Radio	_____	_____	$_____
Outdoor			
Billboards	_____	_____	$_____
Transit (bus)	_____	_____	$_____
Specialty (novelty)	_____	_____	$_____
Catalogue	_____	_____	$_____
Mail Order	_____	_____	$_____
Letters/mailers	_____	_____	$_____
Corporate Materials			
Letterhead	_____	_____	$_____
Business cards	_____	_____	$_____
Signage	_____	_____	$_____
Brochures	_____	_____	$_____
Special pieces	_____	_____	$_____
Packaging	_____	_____	$_____
Point of purchase display	_____	_____	$_____
TOTAL ADVERTISING EXPENDITURES			$_____

Your Current Public Relations

Public relations involves those activities which give you visibility without the use of commercial messages. Public relations usually requires more of an investment in time than money.

Step 1. Inventory your current public relations activities.

Review the list of public relations activities and indicate the last time you performed each activity. If you have not used a particular activity, leave it blank.

Step 2. Hours spent at this activity.

Next to each activity, indicate the number of hours you spent performing each activity it in the last year. This includes hours spent at organizational meetings, community events and activities for which you were a sponsor. Also include time spent planning and preparing events and writing news releases.

Step 3. Yearly amount spent on public relations.

Indicate the total amount of money you spent last year with each option. While public relations is often called "free advertising", it does require some investment to make it work. The perception of public relations being "free" stems from the fact that no money is spent directly on promoting the product. Public Relations costs are incurred in an indirect way through worthwhile or newsworthy activities.

Add together all the amounts to arrive at your Total Public Relations Expenditures for the last year.

ACTIVITY	Step 1. DATE LAST USED	Step 2. HOURS SPENT AT THIS ACTIVITY	Step 3. YEARLY COST
News releases	_____	_____	$_____
Special events	_____	_____	$_____
Sponsorships			
Organization 1	_____	_____	$_____
Organization 2	_____	_____	$_____
Memberships			
Organization 1	_____	_____	$_____
Organization 2	_____	_____	$_____
Organization 3	_____	_____	$_____
Community involvements			
Organization 1	_____	_____	$_____
Organization 2	_____	_____	$_____
Organization 3	_____	_____	$_____
Contributions/Donations			
Organization 1	_____	_____	$_____
Organization 2	_____	_____	$_____
Organization 3	_____	_____	$_____
TOTAL PUBLIC RELATIONS EXPENDITURES			$_____

Your Current Sales Efforts

Sales marketing involves the actual one-on-one contact between a customer and a sales agent. This agent is most often another person, but some kinds of materials and in-store displays can also fall into this category.

Step 1. Inventory your current sales program.

Review the list of sales options and indicate if you use each one. If you do not, leave it blank.

Step 2. Manner in which this activity is used.

Describe the manner in which you use each sales option. It is assumed that if you use an option, it is pretty much on a full-time basis.

Step 3. Yearly amount spent on sales.

Indicate your total yearly investment in each option. This includes salaries, support materials, telephone costs and transportation. Add together all the amounts to arrive at your Total Sales Expenditures for the last year.

SALES OPTION	Step 1. USAGE	Step 2. MANNER USED	Step 3. YEARLY COST
ACTIVE SALES (involving people)			
Outside sales	( )Yes ( )No	_____	$_____
Telemarketing	( )Yes ( )No	_____	$_____
Inside sales	( )Yes ( )No	_____	$_____
Product maintenance & repair	( )Yes ( )No	_____	$_____
PASSIVE SALES			
Printed materials	( )Yes ( )No	_____	$_____
Window or POP displays	( )Yes ( )No	_____	$_____
Handouts flyers	( )Yes ( )No	_____	$_____
TOTAL SALES EXPENDITURES			$_____

Sales Forecasting

Forecasting sales is critical to your business from both a management and sales point of view. If you don't know how much you plan to sell in the next 12 months, you can't plan how much to spend (unless you're independently wealthy or in business as a tax write-off).

Sales forecasting requires a good understanding of your pricing and the level of demand in the marketplace. Remember to be realistic in your projections. Don't just add a fixed percent increase to sales figures. Look for trends by reviewing your own records or industry figures.

Step 1. Sales History

Copy this table and complete for every product you sell. List the total number of units you sold for that product during the previous five years. If you are just starting out, try to get some industry information on average company sales or consult with someone who is likely to know what product sales have been. Take particular note of any trends in yearly sales, such as overall declines or increases.

Step 2. Assess Current Demand

Examine monthly sales figures for the last twelve months. Starting with the first two months, figure the percent increase or decline in sales. If the first month's sales are smaller than the second month's, simply divide the first month by the second month. The resulting decimal represents the percent INCREASE in sales. If the second month is smaller, the equation requires an additional step. Divide the second month by the first month, *then* take the resulting decimal and subtract 1 to get the percent DECREASE in sales. *(Remember, always divide the smaller month by the larger month.)* The following example with January earnings of $10,000, February earning of $20,000 and March earning of $15,000 will illustrate the two equations.

If SECOND month is larger	January's $10,000 ÷ February's $20,000 = .5 or a 50% INCREASE in sales. **(Write in as +50%)**
If FIRST month is larger	March's $15,000 ÷ February's $20,000 = .75 .75 - 1 = -.25 or a 25% DECREASE in sales. **(Write in as -25%)**

Add up all the monthly percentages. If a percent is negative, subtract it instead of adding it to the total. In a bad year it's possible to wind up with a final total that is negative. Divide the total by 12 to arrive at a yearly trend.

Step 3. Projected Year's Sales

Using the trend information derived from steps 3 and 4, project the number of units you expect to sell in the next 12 months. If you feel confident your marketing efforts will result in an increase in sales, increase this figure by that degree of confidence. Divide the total units by 4 to arrive at an average number of units you expect to sell each quarter.

Step 4. Make Seasonal Adjustments

Starting with the average quarterly figure, adjust each quarter's units up or down to match the trends you calculated in step 4. As you add to one quarter, you must subtract from other quarters to keep the total unit figure the same.

Step 5. Calculate Quarterly Income

Insert the adjusted quarterly figures in the appropriate places. Multiply the quarterly figure by the per unit retail price to arrive at the quarterly income figure.

Step 6. Calculate Total Year's Income

Add together the four quarterly incomes to arrive at the total projected yearly income.

Step 1. Sales History

PRODUCT _____

	4 Years Ago	3 Years Ago	2 Years Ago	1 Year Ago	Last Year
Total Units Sold	_____	_____	_____	_____	_____

Step 2. Current Demand

Jan ____% Feb ____% Mar ____% Apr ____% May ____% Jun ____%

Jul ____% Aug ____% Sep ____% Oct ____% Nov ____% Dec ____%

Yearly Trend _____%

Step 3. Projected Sales This Year

Total Units to Sell _____ + 12 = _____ Average Units Per Month

Step 4. Seasonal Adjustment

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
_____	_____	_____	_____

Step 5. Quarterly Income Projected

First Quarter Units _____ * Unit Price = $_____ First Quarter Income

Second Quarter Units _____ * Unit Price = $_____ Second Quarter Income

Third Quarter Units _____ * Unit Price = $_____ Third Quarter Income

Fourth Quarter Units _____ * Unit Price = $_____ Fourth Quarter Income

Step 6.

$_____ **Total Year's Income**

Budgeting

Once you have established sales projections you must develop your budget. In completing the following table, be careful to note that *the steps are slightly out of order*. Since you adjusted the number of units you expect to sell to reflect seasonal fluctuations, you must also adjust your variable costs associated with these units to reflect these fluctuations. Remember, any time you change the number of units you sell, you must also change the costs associated with making them. That's why they're called variable costs.

Step 1. List your fixed expenses.

These have already been figured on a monthly basis on page 32. Multiply each monthly figure by 3 and insert in the matching quarterly columns. Add across the four quarterly figures and insert in the Yearly Total column.

Step 2. List your projected income.

You just figured these for each product you sell on page 43. Take the income figures from Step 5 for each product, add them together and insert the result in the appropriate quarterly slot. Add across the four quarterly figures and insert in the Yearly Total column. You should now have a total income projected from all products you expect to sell per quarter. Add across the four quarterly figures and insert in the Yearly Total column.

Step 3. Insert your adjusted variable costs.

You have already figured per unit variable costs on page 34, and you should have a completed page for each product you sell. What you need to do is convert unit variable costs for individual products to total quarterly costs for all products you expect to sell.

Now comes the tricky part. Take each product's per unit variable cost from page 17 and multiply it by the number of units listed in that product's Step 4 on page 43. Repeat this process for each product until you have an adjusted quarterly variable cost for every product you sell.

Now add together the adjusted First Quarter figures for all your products and insert the resulting total in the First Quarter Variable Cost slot on page 45. Repeat this process for each quarter. Add across the four quarterly figures and insert in the Yearly Total column.

Step 4. Figure your total expenses.

Add down each column to arrive at a Total Quarterly Expense. Do the same for the Yearly column to arrive at a Total Yearly Expense.

Step 5. Calculate your quarterly net profit/loss.

Subtract the Total Expenses in each column from the Projected Income in each column to determine the net profit or loss you will incur. Do the same for the Yearly Total.

You will immediately begin to see the relationship between product sales and the costs associated with selling them, but you will also begin to see the added impact of fixed expenses on profitability. The first conclusion you will draw is that it isn't enough to recover your costs on product sales. You must sell a sufficient volume of products at a high enough price to cover the on-going fixed expenses as well.

Step 1. Fixed Expenses

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Yearly Total
Office Oper.					
Rent	$_____	$_____	$_____	$_____	$_____
Utilities	$_____	$_____	$_____	$_____	$_____
Phone	$_____	$_____	$_____	$_____	$_____
Supplies	$_____	$_____	$_____	$_____	$_____
Insurance	$_____	$_____	$_____	$_____	$_____
Accounting	$_____	$_____	$_____	$_____	$_____
Legal	$_____	$_____	$_____	$_____	$_____
Payroll	$_____	$_____	$_____	$_____	$_____
Marketing	$_____	$_____	$_____	$_____	$_____
Leases	$_____	$_____	$_____	$_____	$_____
Maintenance	$_____	$_____	$_____	$_____	$_____
Corp. Taxes	$_____	$_____	$_____	$_____	$_____
Furn. & Fix.	$_____	$_____	$_____	$_____	$_____
Loans/Notes	$_____	$_____	$_____	$_____	$_____
Other Exp.	$_____	$_____	$_____	$_____	$_____
Total Fixed Exp.	$_____	$_____	$_____	$_____	$_____

Step 3. Variable Expenses

Per Quarter	$_____	$_____	$_____	$_____	$_____

Step 4. Total Expenses

(Fixed + Variable)	$_____	$_____	$_____	$_____	$_____

Step 2. Projected Income

(From page 43)	$_____	$_____	$_____	$_____	$_____

Step 5. Quarterly Net P&L

(Income - Expenses)	$_____	$_____	$_____	$_____	$_____

The Situational Analysis Summary

Step 1. Summarize you present product position.

Review pages 8-13. Describe your products in physical and value based terms. How do your products fulfill the consumer's needs?

Step 2. Summarize your relationship with your customers.

Review pages 14-19. Who are your customers? What do they want? Why do they want it? Why do they buy from you?

Step 3. Summarize your competitive position.

Review pages 20-25. Identify and describe your primary competition. Note their strengths and weaknesses as compared to you. Describe areas where you can achieve competitive advantage.

Step 4. Summarize your image.

Review pages 26-27. Describe your company image form the perspective of both customers and employees. How did you get this image? Is it true? What areas require work, which can you reinforce?

Step 5. Summarize your location's advantages and disadvantages.

Review pages 28-29. Describe your location and its advantages to making, distributing or selling your products. Note any physical characteristics which require work to improve.

Step 6. Summarize your pricing strategy.

Review pages 31-35. Describe your pricing structure. On what is it based? Does it take demand into account? How stable will this price be over the next twelve months?

Step 7. Summarize your current marketing efforts.

Review pages 36-41. Note what advertising, public relations and sales options you have been using or plan to use. How effective have they been? Compare the amount spent against the return. What is the competition doing? What can be done to improve your marketing effort?

Marketing Plan Outline

Section	Workbook page	Marketing Plan page
Mission Statement	51	1
Summary	69	2
Market Audit		
Situational Analysis Summary	46-47	3-4
Identification of products	9-13	5-9
Identification of markets	15-19	10-14
Competitive Analysis	21-25	15-19
Identity/Image	27	20
Site Analysis	29	21
Pricing Strategy	32-35	22-25
Current Marketing Efforts	37-41	26-30
Marketing Action Plan		
Statement of Objectives	52-53	31-32
Goals for Achieving Objectives	54-57	33-36
Strategies/Activities	58-61	37-39
Timetable	63	40
Process for Evaluating Activities	64-67	41-44
Sales Projections/Budget	43-45	45-47

The Mission Statement

Every plan must have an ultimate purpose, a "Mission". A Mission Statement should not be long, and should describe the ideal circumstance under which you wish to do business.

The Mission Statement is probably one of the hardest things to do while preparing a marketing plan, and the area where most plans fail to get done. Yet it is one of the most important. These few words are the heart of why you are in business. They express both your vision and your philosophy of doing business. Everything else you do or say stems from this statement.

Step 1. Identify the purpose of your marketing plan.

Why are you preparing this marketing plan? Is it to help you better manage your advertising and promotional activities? Are you using it as a tool to gain financing? Will you use it to more effectively manage your resources? Perhaps it is a combination of the three.

1. Who will use this marketing plan?
2. What do you hope to accomplish with this written plan?

Step 2. Define your reasons for being in business.

If you have completed pages 12-13 of *Your Business Plan*, transfer information where possible. The Mission Statement, should be a summary of the following points:

1. What are the main personal purposes for this business.?
2. What are the main business purposes for this business?
3. Are the combined personal and business purposes compatible?

Step 3. Prepare a Summary Mission Statement

Combine your various reasons for being in business into one short sentence of 25 words or less. A Mission Statement can be used for both the business and marketing plans.

Don't just say "To make a lot of money". If that's your only mission, you should be robbing banks or counterfeiting. A Mission Statement is really an answer to the question "Why are you doing this particular type of work?".

Some Mission Statements created for major corporations include:

7-11 (Southland Corporation) - "We are in the convenience business."
AMF - "We sell weekends."
IBM - "We are in the service business."
Rolex - "We are in the luxury business."

Don't let the brevity or simplicity of these statements fool you. These corporations spent many hours refining their mission down to few simple words. But their value is not in their length. These statements work because of their ability to reach the absolute *heart* of what that company is doing.

Step 1. Purpose of this plan

Step 2.

1. Personal purposes for the business.

2. Business purposes for the business.

3. How do the personal and business purposes agree?

Step 3. The Summary Mission Statement (25 words or less)

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Objectives

Achieving your Mission requires that you establish Objectives, then Strategies and Goals. These are the general directions that indicate how you get to the Mission. The following example will help clarify the relationship between a Mission, an Objective, a Strategy and a Goal:

***MISSION** - WHAT NEEDS TO BE DONE*
***OBJECTIVE** - ONE RESULT OF PURSUING THIS MISSION*
***STRATEGY** - AN ACTIVITY WHICH CAN ACCOMPLISH THIS RESULT*
***GOAL** - A TIME OR AMOUNT ATTACHED TO THE RESULT*

A marketing example of this might include:

***MISSION** - BECOME THE DOMINANT SUPPLIER OF WIDGETS IN THE WEST*
***OBJECTIVE** - GREATER VISIBILITY AMONG THE BUYING PUBLIC*
***STRATEGY** - ADVERTISING (**TACTIC** - RADIO COMMERCIALS)*
***GOAL** - 23% INCREASE IN TOP-OF-MIND RECALL WITHIN 6 MONTHS*

As the examples show, it is much easier to develop strategies AFTER you know what results you want to achieve. This is the basic concept behind Management by Objective.

Establishing Objectives and Goals will enable you to effectively decide what specific activities you want to pursue to help you achieve marketing success.

Step 1. Define your Objectives.

In each section outlined below indicate the general results you wish to accomplish. Don't worry right now about how long it might take to accomplish each Objective, or how difficult it might seem now. Everything takes time, and this is the place to start thinking big.

a. **Your sales volume?**
EXAMPLE - Increase sales in low volume items without increasing overhead.

_____

_____

_____

b. **Your profit before taxes?**
EXAMPLE - Improve profit picture for bank financing.

_____

_____

_____

c. **The amount of time you want to spend at the business?**
EXAMPLE - To be able to spend one day a week at community functions.

d. **How well known do you want to be with your customers?**
EXAMPLE - Increased visibility and awareness among principal customers.

e. **What relationship do you want to have with your employees?**
EXAMPLE - Increase employee satisfaction and productivity.

f. **Do you want or need to be considered an expert in your industry?**
EXAMPLE - To be asked to make speeches, or sit on panels.

g. **The quality/usefulness of your products?**
EXAMPLE - To improve the reliability of my product and reduce its failure rate.

h. **Other areas?**
EXAMPLE - To sell the company for more than I paid for it.

Setting Goals

As stated on page 52, Goals are the time or dollar limits you set for each of your Objectives. The important thing to remember is that these numerical goals ALWAYS RELATE BACK TO THE OBJECTIVES of the organization.

Step 1. Assign specific and measurable goals to your Objectives.

Determine the exact amount of money or products you expect to sell, the profit you anticipate, the amount of time you plan to spend, the level of familiarity you expect to have with customers, the relationship you want to have with employees, the perception of expertise, or the quality of the product. Do this for the next 12 months, and the next 3 years. If you have completed *Your Business Plan*, refer to pages 10-13 and transfer information where possible.

a. Sales Volume

Year 1 _____

Year 2 _____

Year 3 _____

b. Profit Before Taxes

Year 1 _____

Year 2 _____

Year 3 _____

c. Time Spent at the Business

Year 1 _____

Year 2 _____

Year 3 _____

d. Familiarity Among Customers

Year 1 _____

Year 2 _____

Year 3 _____

e. Relationships with Employees

Year 1 _____

Year 2 _____

Year 3 _____

f. Perceived Expertise in the Industry

Year 1 _____

Year 2 _____

Year 3 _____

g. The Quality - Usefulness of Your Products

Year 1 _____

Year 2 _____

Year 3 _____

h. Other Areas

Year 1 _____

Year 2 _____

Year 3 _____

Step 2. Assign specific goals to the sale of your Products

Refer to pages 8-13 of this workbook. Identify the specific volume, income, market share or other goals associated with each product or product line

Product 1. _____

End of 12 months _____

End of 3 years _____

Product 2. _____

End of 12 months _____

End of 3 years _____

Product 3. _____

End of 12 months _____

End of 3 years _____

Product 4. _____

End of 12 months _____

End of 3 years _____

Product 5. _____

End of 12 months _____

End of 3 years _____

Product 6. _____

End of 12 months _____

End of 3 years _____

Product 7. _____

End of 12 months _____

End of 3 years _____

Step 3. Assign specific goals for each of your market segments.

Refer to pages 14-19 of this workbook. Identify the specific visibility, income, market share or other goals you have for each of your market segments.

Market 1. _____

End of 12 months _____

End of 3 years _____

Market 2. _____

End of 12 months _____

End of 3 years _____

Market 3. _____

End of 12 months _____

End of 3 years _____

Market 4. _____

End of 12 months _____

End of 3 years _____

Market 5. _____

End of 12 months _____

End of 3 years _____

Market 6. _____

End of 12 months _____

End of 3 years _____

Strategies-Activities

Once you have defined your Objectives, you can develop specific activities to accomplish them.

Many business people rely heavily on advertising as their primary marketing activity. Because marketing involves more than just selling to customers, you should plan several different activities to meet the needs of all your objectives.

Volume II, *Small Business Marketing* covers strategy development in greater detail.

Step 4. General strategy development

Complete the activities worksheet for each objective defined on pages 52-53. Don't expect to select the best strategy the first time. Start with the strategies you currently use to accomplish these objectives. If you are defining some objectives for the first time, use your best guess as to the appropriate strategies to use.

For example, if you plan to use advertising, you might write-in *radio*, *newspaper*, *specialty* and *banners* as specific advertising activities you think will work based on your assessment of the market.

Some things to remember while selecting activities:

1. How much money you can spend on marketing.
2. How much time you can devote to marketing.
3. Are you already well known, or just starting out.
4. What your previous experience is with different activities.
5. How people usually find out about your products.
6. Should you concentrate on promoting you products, your company, or both.

Step 4. _____

Objective _____

Activities in:

Advertising _____

Public relations _____

Active sales _____

Passive sales _____

Employee relations _____

Customer service _____

Maintenance & repair _____

Other _____

Any details you might need to clarify about the implementation or coordinations of these activities.

_____

_____

_____

_____

_____

_____

_____

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Prioritizing Marketing Activities

Few business people have the resources to undertake every activity. Prioritization of strategies is appropriate and essential. Based on the time and budget requirements you have set, decide which of your activities are critical to business, which are moderately important, and which can wait until later.

Step 1. List activities requiring immediate implementation.

Review all the strategy activities you have outlined and select those which must be performed immediately to assure continued operation.

Step 2. List strategies of moderate importance.

Indicate those activities which are deemed important to the growth or success of the business, but must wait for additional resources to implement.

Step 3. List strategies of lower importance.

Indicate those marketing activities which are useful in increasing the visibility or position of the business with customers, but have no direct impact on current profitability. These activities will be implemented at a future time.

NOTE: After doing this, try to implement the first two or three strategies within 60 to 90 days.

Step 1. For Immediate Implementation (Within 90 days)

Activity _____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

Step 2. Of Moderate Importance (Within 12 months)

Activity _____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

Step 3. Of Lower Importance (Within 3 years)

Activity _____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

Timetable

Use this worksheet to determine the progression of your marketing efforts. Stick to the timelines you set and you will insure that the jobs get done. This sheet will also help you determine if you have too many activities and not enough time or staff to get all the jobs done.

Step 1. Identify key activities.

Copy the list of activities requiring immediate attention from page 61 of this workbook.

Step 2. Assign responsibility for each activity.

For each activity you have defined, assign supervision of its implementation and completion to one person within the company.

Step 3. Set a scheduled starting date.

Decide when you will begin work on each activity. Note whether or not other activities will be performed at the same time.

Step 4. Set a scheduled finish date.

Decide when you plan to have the activity completed. For on-going activities such as advertising, you can set a date on which your intensive involvement will end.

Step 1. **Activity**	Step 2. **Person**	Step 3. **Start**	Step 4. **Finish**

Marketing Plan Review

Your Marketing Plan is an on-going, living thing. Once you have completed the initial outline, you must review your operation in order to update you plans and make modifications. While the goals you set on pages 54-57 provide the basis for evaluating many of your marketing objectives, the following worksheets will also allow you to evaluate some other important areas as well.

Step 1. Review your quarterly sales performance.

Review pages 42-43 and transfer your Projected sales figures. Indicate that actual amount sold.

Product #1 _____

	Projected	Actual
First Quarter		
Second Quarter		
Third Quarter		
Fourth Quarter		

Product #2 _____

	Projected	Actual
First Quarter		
Second Quarter		
Third Quarter		
Fourth Quarter		

Product #3 _____

	Projected	Actual
First Quarter		
Second Quarter		
Third Quarter		
Fourth Quarter		

Product #4 _____

	Projected	Actual
First Quarter		
Second Quarter		
Third Quarter		
Fourth Quarter		

Total for Year _____ 66 _____

Step 2. Review employees on a 6 to 12 month basis.

EMPLOYEE EVALUATION FORM

1. ORAL - WRITTEN COMMUNICATION

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

2. PROBLEM SOLVING - DECISION MAKING

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

3. LEADERSHIP - INITIATIVE

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

4. ORGANIZATIONAL SKILL - MEETING DEADLINES AND COMMITMENTS

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

5. CREATIVITY, FLEXIBILITY AND ADAPTABILITY

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

6. PUBLIC CONTACT AND SERVICE SKILLS

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

7. JOB KNOWLEDGE

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

8. INTERPERSONAL SKILLS

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

9. INTEGRITY

Above Outstanding		*Average*		*Competent*		*Needs Improvement*		*Unsatisfactory*	
10 [ ]	9 [ ]	8 [ ]	7 [ ]	6 [ ]	5 [ ]	4 [ ]	3 [ ]	2 [ ]	1 [ ]

Rated by:_____ Title:_____ Date:_____

Step 3. Perform a random quarterly customer satisfaction review.

CUSTOMER SATISFACTION SURVEY

In our continuing effort to improve the quality of service we provide, we seek the honest opinions of customers like yourself. Please take a minute to answer the questions below and put the completed form in the box near the front. Thank you for your help.

1. Please rate your experience today in each of the following categories:

	Excellent	Good	Average	Fair	Poor
A. Quality of the products	( )	( )	( )	( )	( )
B. Value for the money	( )	( )	( )	( )	( )
C. Ease of getting to and from this store	( )	( )	( )	( )	( )
D. Friendliness and courtesy of the employees	( )	( )	( )	( )	( )
E. Efficiency of the service	( )	( )	( )	( )	( )
F. Cleanliness and appearance of the store	( )	( )	( )	( )	( )

2. What is the one thing you like most about this store?

_____

3. What things do you like least, or would like to see changed?

_____

4. Are there any additional products or services you would like to see us offer?

_____

Please answer the following general questions about yourself.

5. How did you arrive at the store today?

( ) Car ( ) Walked ( ) Bus ( ) Bike ( ) Other _____

6. Which radio station do you listen to *most* often? _____

7. Would you say you read three out of every four newspapers you receive?

( ) Yes ( ) No ( ) Don't know

8. Please indicate if you are: ( ) Male ( ) Female

9. Which of the following ranges includes your age?

( ) 18-24 ( ) 25-34 ( ) 35-49 ( ) 49-54 ( ) 55 or older

THANK YOU VERY MUCH FOR YOUR ASSISTANCE!

Step 4. Review the marketing program on a quarterly basis.

Include expenses from all advertising, public relations and sales activities. Divide the marketing expenditure by the sales to determine the percentage of your income devoted to marketing.

EXAMPLE - $5,000 marketing ÷ $25,000 income = .20 (20% of sales devoted to marketing)

Review quarters with overly high percentages to determine why the marketing was not working as effectively. Make sure the figures match those budgeted on page 45.

Product #1 _____

	Marketing expenditure	Income from sales	% to marketing
First Quarter	_____	_____	_____%
Second Quarter	_____	_____	_____%
Third Quarter	_____	_____	_____%
Fourth Quarter	_____	_____	_____%

Product #2 _____

	Marketing expenditure	Income from sales	% to marketing
First Quarter	_____	_____	_____%
Second Quarter	_____	_____	_____%
Third Quarter	_____	_____	_____%
Fourth Quarter	_____	_____	_____%

Product #3 _____

	Marketing expenditure	Income from sales	% to marketing
First Quarter	_____	_____	_____%
Second Quarter	_____	_____	_____%
Third Quarter	_____	_____	_____%
Fourth Quarter	_____	_____	_____%

Product #4 _____

	Marketing expenditure	Income from sales	% to marketing
First Quarter	_____	_____	_____%
Second Quarter	_____	_____	_____%
Third Quarter	_____	_____	_____%
Fourth Quarter	_____	_____	_____%

Total for Year	_____	_____	_____%

Marketing Plan Summary

Step 1. Make sure you have completed all previous worksheets.

If you still have any blank or incomplete pages, go back and complete them.

Step 2. Decide on a logical progression of ideas.

The summary should include statements about past activities, current activities and future activities. Start with a background of the company or its products (this is a good place for the mission statement), then describe the current market conditions. Include a definition of your customers. Finally, describe your plans for the future. Use the Situational Analysis Summary on page 48 as a starting point.

Step 3. Write a one-page summary of your marketing plans.

This doesn't have to be a work of art, but rather a description of where you are now, and what you plan to accomplish in the future. Write the summary as if you were having a conversation with a friend about your future plans for your business. Suppose they asked you "How are things down at work?" or "What have you got planned for next year?".

You may want to take each section in this book and write two or three sentences around it. By Use a logical progression to these sentences together, instead of making them appear to be a bunch of disjointed thoughts.

Resources to Use in Your Market Planning

This section includes a list of some common sources you can use to gather information about your market.

The U.S. Census

The U.S. Census has information concerning the buying public and your industry. General population information is available in a wide range of tabulations and indexes. Data concerning your industry is contained in the U.S. Census of Manufacturers, Wholesalers, Retailers, Service Industries, etc. Both are available in most public or university libraries (in the reference section), and are often kept on microfilm.

Public or University Libraries

Libraries usually maintain a large reference section in which you will find a wealth of information on market conditions, business topics and commercial activities. Because the reference section is relatively complicated to use, most libraries have a reference librarian who can assist you in pinpointing the information you need.

Associations

Most industries have a national association. If you already belong to an association, write and ask them to send information about the market for your product or service. Many national associations spend thousands of dollars every year gathering data for their members. You should use it!

The Small Business Administration (SBA)

This federal program specializes in providing both financial and advisory assistance to small businesses throughout the country. You can get in touch with the SBA through your local Community College or write:

U.S. Small Business Administration
Federal Building
1220 SW Third Ave., Room 676
Portland, OR 97204

The Small Business Development Center (SBDC)

Your local Oregon Community College or State College has a Small Business Development Center specifically established to provide services and resources to Oregon's small business community.

The SBDC network is comprised of 19 regional Centers and an outreach program. Each Center has a wide variety of services, including business resource libraries, business seminars, and one-on-one counseling.

One SBDC resource of particular use is the *Small Business Bibliography*. In it you will find references to hundreds of publications on just about every topic of interest to the small business owner.

SCORE (Service Corps of Retired Executives)

SCORE is a national organization of retired business people who volunteer their time to advise small business owners.

SCORE volunteers often have many years of experience in operating both large and small businesses. They can often provide practical insights few others possess. They really understand the problems of running a business.

Internal information

Many business owners fail to take advantage of information resources which already exist within their own companies. Business records, client lists, and past employees are all important resources for developing information about your business and its market.

Marketing Research

Marketing research is a well established marketing tool used every day by businesses throughout the world. Large corporations make multi-million dollar investments utilizing information that gives them the maximum chance of success. Many people believe marketing research is only for industrial giants and not necessary or appropriate for smaller businesses. In reality, any organization that intends to effectively market itself or its products to the public needs market information.

Sources of Information- Federal Agencies

Economic Development Administration
1220 SW Third Avenue
Portland, Oregon 97204
221-3078

Small Business Administration
1220 SW Third Avenue
Portland, Oregon 97204
294-5210 (Loan Assistance)
294-5203 (Management Assistance)

Internal Revenue Service
1220 SW Third Avenue
Portland,Oregon 97204
221-3568

Department of Commerce
1220 SW Third Avenue
Portland, Oregon 97204
221-3001 (International Trade)
221-3078 (Economic Development)

Department of Labor
1220 SW Third Avenue
Portland, Oregon 97204
221-3057 (Wage & Hour Division)
221-2251 (Occupational Safety)

Farmers Home Administration
1220 SW third Avenue
Portland, Oregon 97204
221-2735

Interstate Commerce Commission
1220 SW Third Avenue
Portland, Oregon 97204
221-3102

Environmental Protection Agency
522 SW Fifth
Portland, Oregon 97204
221-3250

Sources of Information- State of Oregon Agencies

Department of Economic Development
595 College Street, NE
Salem, Oregon 97310
373-1200
1-800-233-3306 (Toll-free)

Oregon Bureau of Labor
Technical Assistance Unit
555 13th NE
Salem, Oregon 97311
373-1435

Oregon Employment Division
875 Union Street, NE
Salem, Oregon 97311
378-8998

Oregon Department of Revenue
457 Revenue Bldg.
Salem, Oregon 97310
378-3363

Oregon Department of Agriculture
Agriculture Development & Marketing
635 NE Capitol
Salem, Oregon 97310
378-4152

Evaluation

The authors need and want your feedback. Please take a few minutes of your time to answer these questions. Your comments will help us improve the workbook and benefit users of future versions of the workbook. Thanks for your assistance.

Why did you decide to use the workbook?

What benefits did you receive from using the workbook?

What sections of the workbook were most valuable to you?

What sections of the workbook were least valuable to you?

Did you find the workbook easy to use? Why or why not?

What changes would make the workbook easier to use?

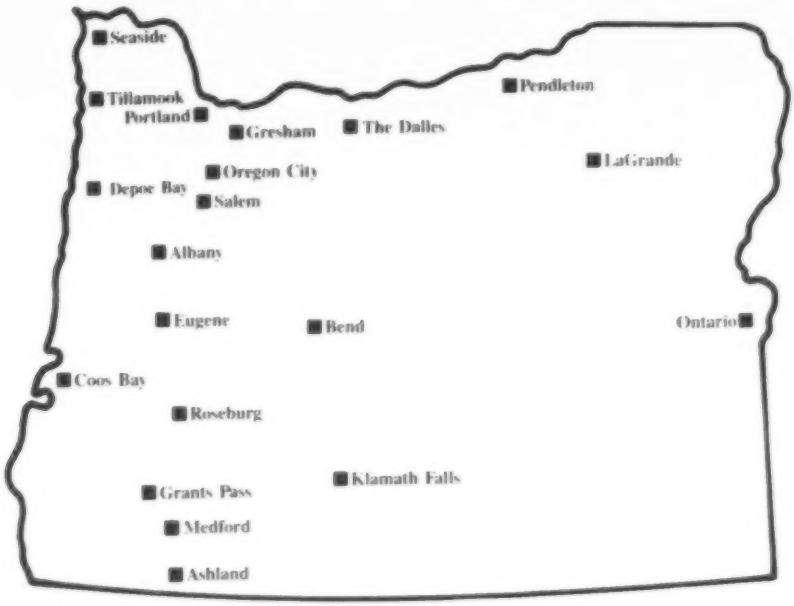
How much assistance did you have in completing the workbook?

What is your overall opinion of the workbook's value?

Would you recommend the workbook to others? Why or why not?

Your name and address (optional):

Oregon Small Business Development Center Network



OSBDCN
State office
Lane Community College
1059 Willamette St. Eugene, OR 97401
(503) 726-2250

Albany
Linn-Benton Community College
6500 S.W. Pacific Blvd. Albany, OR 97321
(503) 967-6112

Ashland
Southern Oregon State College, Ashland
Regional Services Institute Ashland, OR 97520
(503) 482-5838

Bend
Central Oregon Community College
2600 N.W. College Way Bend, OR 97701
(503) 382-6112 ext. 237

Coos Bay
Southwestern Oregon Community College
1988 Newmark St. Coos Bay, OR 97420
(503) 888-2525 ext. 259

Depoe Bay
Lincoln County
P.O. Box 29, Mall 101, Suite A
Depoe Bay, OR 97341-0029
(503) 765-2627

Eugene
Lane Community College
1059 Willamette St. Eugene, OR 97401
(503) 726-2255

Grants Pass
Rogue Community College
206 N.E. 7th St. Grants Pass, OR 97526
(503) 474-0762

Gresham
Mt. Hood Community College
26000 S.E. Stark St. Gresham, OR 97030
(503) 667-7658

Klamath Falls
Oregon Institute of Technology
3201 Campus Drive
Klamath Falls, OR 97601
(503) 883-7556; 883-7562

LaGrande
Eastern Oregon State College
Regional Services Institute LaGrande, OR 97850
(503) 963-1391

Medford
Southern Oregon State College, Medford
229 N. Bartlett Medford, OR 97501
(503) 772-3478

Ontario
Treasure Valley Community College
173 S.W. 1st St. Ontario, OR 97914
(503) 889-2617

Oregon City
Clackamas Community College
108 8th St. Oregon City, OR 97045
(503) 656-4447

Pendleton
Blue Mountain Community College
37 S.E. Dorian Pendleton, OR 97801
(503) 276-6233

Portland
Small Business International Trade Program
University Center Bldg.
527 S.W. Hall, Suite 305 Portland, OR 97207
(503) 229-3257

Portland
Portland Community College
Ross Island Center, B-13
12000 S.W. 49th Ave. Portland, OR 97219
(503) 273-2828

Roseburg
Umpqua Community College
744 S.E. Rose Roseburg, OR 97470
(503) 672-2535; 672-3679

Salem
Chemeketa Community College
365 Ferry St. S.E. Salem, OR 97301
(503) 399-5181

Seaside
Clatsop Community College
1240 S. Holladay Seaside, OR 97138
(503) 738-3347

The Dalles
Treaty Oak CC Service District
212 Washington The Dalles, OR 97058
(503) 296-1173

Tillamook
Tillamook Bay CC Service District
401 B Main St. Tillamook, OR 97141
(503) 842-2551